



Social and Ethics Committee Terms of Reference

South African Heart Association® SA Heart®

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1. Introduction

- 1.1. The social and ethics committee of SA Heart® is established as a committee of the board of directors of SA Heart®. Responsibilities and roles are in addition to those of members of the board (in the case of committee members who are also board members).
- 1.2. The duties and activities of the committee does not alleviate individual or collective responsibilities of board members regarding their fiduciary duties. Board members must practice due care and judgement with regards to their fiduciary duties at all times.
- 1.3. These terms of reference align with the Companies Act (2008), SA Heart® Memorandum of Incorporation (MOI), Bylaws, etc. and any other laws or legal requirements applicable to SA Heart®.

2. Purpose

- 2.1. These terms of reference capture the following information regarding the nature of SA Heart®'s social and ethics committee in order to ensure that the committee is effective and compliant and that SA Heart® achieves its objectives:
 - Composition of the committee
 - Roles and responsibilities
 - Delegation of authority
 - Meeting procedures

3. Committee Composition

- 3.1. The social and ethics committee comprises a minimum of three and a maximum of five members.
- 3.2. The social and ethics committee is a committee of the board and its Chair is nominated by the board.
- 3.3. The Chair of the board is an *ex officio* member of the committee.
- 3.4. Members of the committee are elected based on their qualifications and experience in order to fulfill their duties and discharge the fiduciary obligations of the board.

4. Roles and Responsibilities

- 4.1. The committee does not take on the management function as this remains with the executives and senior management.
- 4.2. Ensuring that the company complies with all relevant laws, legislation and non-compulsory codes and standards that is relevant to the organisation.
- 4.3. The committee oversees social and economic development with regards to –
 - 4.3.1. United Nations Global Compact;
 - 4.3.2. OECD corruption recommendations;
 - 4.3.3. Broad Based Black Economic Empowerment Act;
- 4.4. Corporate Citizenship with emphasis on;
 - 4.3.4. Eliminating corruption, unfair discrimination and inequality.
 - 4.3.5. Giving back and developing the communities that SA Heart® operates in.



- 4.3.6. Keeping record of donations, sponsorships and charities.
- 4.5. Monitor the effects of the company's activities and its products on the environment, health and public safety.
- 4.6. Oversee the management of consumer and public relations as well as advertising and consumer protection laws.
- 4.7. Oversee labour and employment with regards to;
 - 4.7.1. The International Labour Organization protocol on fair work and working conditions.
 - 4.7.2. Employee relationships and educational development.
- 4.8. Ensuring that the board is aware of relative issues within its mandate.
- 4.9. Provide a member report on matters included in the mandate of the committee.

4. Authority

- 5.1. The board delegates some of its obligations to this committee as recorded in this terms of reference.
- 5.2. The committee has the power to investigate all activities that is set out in this terms of reference.
- 5.3. Subject to the following approved processes, the committee may request information that aids the committee in fulfilling its duties from executive directors, the company secretary, or the Chairs of the various board committees. The committee also has access to company records to ensure fulfilment of its duties.
- 5.4. The committee may allocate specific authorities to individual members and/or sub-committees, if required.
- 5.5. The committee may acquire independent external advice from professionals to aid in the execution of its duties, the cost of which is carried by SA Heart® on condition that the approved processes have been followed to obtain such advice.

5. Meeting procedures

6.1. Frequency

- The committee meets at least twice per year but may meet more frequently to discharge all its duties listed in these terms of reference.
- Committee members may call meetings in addition to those formally scheduled in terms of these terms of reference through engagement with the Chair, the chief executive officer and/or the company secretary.
- The committee Chair may schedule a meeting with the chief executive officer, company secretary or chief risk officer prior to the committee meeting to establish an agenda and discuss important matters

6.2. Attendance

- Unless an apology is given to the Chair or company secretary prior to the committee meeting, all members are expected to attend all committee meetings.
- Assurance providers, professional advisors and senior managers may attend committee meetings by invitation but may not vote on any decisions taken by the committee.
- The role of the secretary of the committee is carried out by the company secretary who (or his/her delegate) must therefore be present at all committee meetings.



- If the appointed Chair of the committee is absent during a scheduled meeting, one of the members present must be elected to fulfill the role of the Chair for that meeting only.

6.3. Agenda and Minutes

- A comprehensive yearly work plan is compiled by the company secretary to inform meeting agendas and must include all relevant matters that the committee is responsible for (including all matters within these terms of reference). The plan is formally approved by the board to ensure that critical issues are dealt with annually and less critical matters are dealt with at least every 3 years.
- The annual plan is considered when establishing the time, length and agendas of committee meetings.
- In order to generate an agenda, the Chair may meet with the chief executive officer, general manager and company secretary to discuss important issues.
- Each committee member receives a detailed agenda with supporting documentation at least one week before each meeting from the company secretary.
- All committee members are required to be fully prepared for meetings so that they can provide constructive and relevant input into discussions and decisions taken by the committee.
- Minutes of committee meetings are circulated for review by members as soon as possible and is formally approved and signed by the Chair at the following meeting.

6.4. Quorum

- The quorum for committee meetings two-thirds of members for meetings to be duly constituted.
- Non-member attendees at board committee meetings (i.e. by invitation) may take part in meeting deliberations but are not included in the quorum for committee meetings and may therefore not vote on any decisions being taken by the committee.



6. Evaluation

- 7.1. The board annually evaluates the effectiveness and overall performance of individual members of the social and ethics committee, its Chair, and the overall committee and takes corrective steps to close any shortcomings that may be identified.

8. Approval of these Terms of Reference

This charter –

- 8.1 is issued under oversight of the board and compliance thereto is monitored by the company secretary and SA Heart®'s internal and external auditors;
- 8.2 will be officially reviewed at least annually by the board to ensure its adequacy and effectiveness in terms of SA Heart®'s dynamic business environment;
- 8.3 will be amended on an *ad hoc* basis in the event that a deficiency or inadequacy is identified that requires immediate rectification; and
- 8.4 will be adhered to at all times, unless exception to, or relaxation of its requirements have been formally approved by the Board prior to its application.

This charter is hereby adopted and approved for implementation and takes effect upon signature by the Chair of the board.

Signed on this day of 2020 at

.....
Chair of the Board

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Company Secretary